

Message Text

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ORIGIN STR-07

INFO OCT-01 IO-13 ISO-00 AGR-01 COME-00 INT-05 LAB-04
EB-08 TRSE-00 SS-15 STRE-00 L-03 ITC-01 /058 R

DRAFTED BY STR:MSCHWEITZER:TI
APPROVED BY STR:WBKELLY
AGRICULTURE:RHARPER (SUBS)
COMMERCE:DSCHLECHTY (SUBS)
INTERIOR:HANDERSEN (SUBS)
LABOR:DPARKER (SUBS)
STATE:SAHMAD (SUBS)
TREASURY:EBARBER (SUBS)
-----120907 010211Z /66
O 010119Z JUL 78
FM SECSTATE WASHDC
TO USMISSION GENEVA IMMEDIATE

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E.O. 11652: N/A

TAGS: ETRD, MTN, CA

SUBJECT: ASP OFFER: CANADIAN TALKING POINTS

REFERENCE: GENEVA 09864

1. THE TALKING POINTS TO BE USED IN CONNECTON WITH U.S.
REQUEST TO CANADA FOR PAYMENT FOR ASP ARE AS FOLLOWS:
2. THE UNITED STATES IS WILLING, SUBJECT TO RECIPROCITY,
TO ELIMINATE ASP ON BENZENOID CHEMICALS AND PRODUCTS UNDER
THE NEW VALUATION RULES AND HAS INCLUDED EXTREMELY FORTH-
COMING TARIFF REDUCTIONS ON SUCH PRODUCTS IN ITS REVISED
OFFER.

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3. BENZENOID CHEMICALS SUBJECT TO ASP WERE VALUED AT
\$35.6 MILLION FROM CANADA IN 1976. MANY OF THESE IMPORTS
WERE COMPETITIVE WITH U.S. PRODUCTION AND THEREFORE WERE
VALUED ON THE BASIS OF ASP.
4. IN ADDITION TO MEETING THE CANADIAN REQUEST FOR ASP

ELIMINATION, WE ARE OFFERING FORMULA CUTS ON 90 PERCENT OF OUR BENZENOID TARIFF LINES. FOR MANY ITEMS THE DEPTH OF CUT IS IN THE 50-60 PERCENT RANGE.

5. OUR OFFER HAS IMPOSED A 20 PERCENT CEILING ON BENZENOID CHEMICAL TARIFFS EXCEPT FOR ONE TARIFF LINE WHERE THIS CEILING EXCEEDS OUR LEGAL AUTHORITY.

6. IN RETURN FOR THESE MAJOR CONCESSIONS, THE UNITED STATES REQUESTS CANADA (IN ADDITION TO ADOPTING THE VALUATION CODE) TO (A) TERMINATE "MADE IN CANADA" AND "MACHINERY PROGRAM" PROVISIONS AND (B) MATCH ITS TARIFFS ON PAINT WITH THOSE OF THE U.S. THESE ITEMS, WHICH WERE GIVEN TO THE CANADIAN DELEGATION IN WASHINGTON ON JUNE 19-20, ARE AS FOLLOWS:

93207 - OTHER COLOURING MATTER; INORGANIC PRODUCTS OF A KIND USED IN LUMINOPHORES

93208 - PREPARED PIGMENTS, PREPARED OPACIFIERS AND PREPARED COLOURS, ETC.

93209 - VARNISHES AND LACQUERS, ETC.

93210 - ARTISTS', STUDENTS' AND SIGNBOARD PAINTERS' COLORS, ETC.

7. WE HAVE REQUESTED THE CANADIANS TO REDUCE RATES ON THESE ITEMS TO 6.0 PERCENT. THIS WOULD HAVE THE MERIT OF LOWER-LIMITED OFFICIAL USE

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ING CANADIAN PAINT TARIFFS TO THE APPROXIMATE LEVEL OF U.S. OFFERS ON OUR LARGEST PAINT ITEMS, TSUSA NOS. 405.25 B AND C. WE WOULD, OF COURSE, EXPECT CANADA TO MAINTAIN ITS PRESENT DUTY-FREE OFFER ON 93209-2 (PEARL ESSENCE), PARTICULARLY BECAUSE OF THE U.S. DUTY-FREE OFFER ON THIS PRODUCT. VANCE

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Draft Date: 01 jul 1978
Decaption Date: 01 jan 1960
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ISecure: 1
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Litigation Codes:
Litigation History:
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